

**MINUTES OF THE
BOARD OF BUSINESS AND ECONOMIC DEVELOPMENT
August 15, 2003 Meeting**

Members Present:	David Simmons, Dell Loy Hansen, Mark Howell, Debra Tanzi, Alan Ashton, Bill Boyle, Barbara Zimonja, Joel Bradford, Jerry Oldroyd, Ted Smith, Richard Nelson, Kenneth Woolley, Karen Alvey, Cliff White
Members Absent:	Ed Ekstrom, Shelli Gardner
Visitors:	Brice Wallace, Deseret News; Tyler Dallas, Qwest; Doug Talbot, Layton Construction; Dee Dee Duffin and Jeff Edwards, EDCU
Staff:	David Harmer, Jeff Gochmour, Dick Bradford, Earl Maeser, Ron Richins, Mark Renda, Lisa Howe, Todd Hauber, Tracie Cayford, Marian Hein, Ed Meyer, Dave Douglass, Emily Sang, Kelly Day

Welcome and Approval of Minutes

Chairman David Simmons welcomed everyone to the meeting thanked them for their attendance, especially those who travel from so far away. He also formally recognized Dell Loy Hansen's service as Chairman of the Board and offered a resolution of appreciation on behalf of the Board for his tremendous efforts.

MOTION: Chairman Simmons moved to offer a resolution of appreciation to Dell Loy Hansen for his great service as Chairman of the DBED Board and his continued work as Vice Chairman. Barbara Zimonja seconded the motion, which was unanimously approved by all present. Motion carried.

Chairman Simmons reported that with his new responsibilities as Board Chairman it became necessary to appoint a new chair of the IAF. After consulting with the department and the IAF Committee, it was unanimously agreed to appoint Barbara Zimonja to that position.

MOTION: David Simmons moved to appoint Barbara Zimonja as Chairperson of the IAF committee. Richard Nelson seconded the motion and all favored it passing. Motion carried.

MOTION: Barbara Zimonja moved to approve the July 18, 2003 minutes. Richard Nelson asked to amend the July 18, 2003 IAF motion to indicate that he presented the motion rather than David Simmons, and then seconded Ms. Zimonja's motion. Motion carried.

Industrial Assistance Fund Applications

Barbara Zimonja presented the following requests for funding to the Board on behalf of the IAF Committee:

Qwest Communications International, Inc. is a leading provider of voice and data service to more than 25 million customers. The company's 50,000 plus employees are committed to the "Spirit of Service and providing world-class service that exceed customers' expectations for quality value and reliability." Qwest will be establishing a Technical Repair Call Center that supports Qwest customers (internal and external) on issues related to DSL connections, networking, Internet issues, (DSL & Dial) for Qwest and Volume Internet providers (AOL, MSN, etc.). Expansion is for anticipated customer growth and redundancy for Qwest DSL Technical Repair Call Handling. Available physical space already exists within Qwest's infrastructure. Utah is competing with Oregon, Arizona and Idaho for the expansion.

MOTION: Barbara Zimonja moved to approve a performance-based disbursement to Qwest Communication of \$2,000 per new employee position, for a maximum incentive of \$312,000 on a post-performance basis for 156 new full-time employee positions over the next five years with a salary meeting or exceeding 125% of the Salt Lake County median wage. The company must commit to keep its operations in Utah for five years. Following some discussion, Dell Loy Hansen seconded the motion and all favored it passing with the exception of Ted Smith and Jerry Oldroyd who abstained from the vote. Motion Carried.

A Health Informatics Company, which has requested confidentiality, is requesting a \$905,500 Target Market Incentive for the creation of 440 new full-time employee positions. This would be an expansion program for the company due to the consolidation of two of its operations. The company has a very good growth rate and seems like a real solid company.

Utah is competing with several other states for the project. The original request was for \$905,500 for 440 new full-time Employee positions. The IAF Committee got very creative on this deal in trying to come up with a good program to not only get the company some incentive funds, but also to incent them to locate some of the new jobs in rural Utah.

MOTION: **Barbara Zimonja moved to approve an urban performance-based disbursement of up to a maximum of \$667,600, to be paid out on a post performance basis for 440 new full-time employee positions as follows:**

- **\$1,200 for the FTE's with a salary meeting between 100% and 200% of county median**
- **\$4,000 for FTE's with a salary exceeding 200% of the county median for a total incentive of \$617,600**
- **\$286,000 from the Health Informatics Initiative Fund, for the same 440 new FTE's**
- **The company must commit to keep its operations in Utah for five years**

In addition, the motion included approval of a Rural Bonus Incentive of up to a maximum of \$100,000 to be paid out on a post performance basis for an additional \$2,000 per job created in rural Utah, for up to 50 jobs. Of this \$100,000 bonus incentive, up to \$50,000 will be committed from the IAF and \$50,000 will be committed from the Health Informatics Initiative Fund and the company must commit to keep its operations in Utah for two years on the rural commitment of the incentive. After considerable discussion, the motion was seconded by Ted Smith and all favored it passing. Motion carried.

Subcommittee Reports

Best Practices Subcommittee – David Harmer reported that Ed Ekstrom plans to present the Best Practices report at the next board meeting.

Rural Subcommittee – Debra Tanzi reported that the staff has been busy working on a number of initiatives, one being a mentor protégé relationship, which would offer incentives to large companies to mentor small companies. The committee would like to ask to expand the Rural Subcommittee due to several upcoming activities that will require some additional help. Ed Meyer briefed the Board on the Rural Summit in Cedar City, which he reported was very well attended. The agenda for the summit focused heavily on land planning issues. Mr. Meyer also reported that the Board would soon be receiving a Rural BEAR Newsletter, which will highlight all the ways the BEAR program supports rural Utah.

Division Report

Jeff Gochmour gave the following report on DBED Activities:

- DBED staff are continuing to put a great deal of effort into the best practices analysis.
- The International program staff is planning a follow-up trade mission to Mexico City in the next couple of weeks. This mission will focus heavily on environment issues and they will be taking several Utah environmental businesses as well. The staff also recently hosted the Ambassador from Thailand and did a seminar on doing business in Thailand. The Ambassador was quite impressed with the number of Utah companies that do business in Thailand. The staff also recently hosted a group of industry executives from China Aviation Group in which a number of Utah's aviation companies participated.
- The International staff is to be commended for their efforts in preparing to host 60 government leaders from China, which arrive this Sunday. Our China Trade Rep, Shawn Hu, has been very involved in working with this group. The group will be visiting Salt Lake City for four days prior to their main destination of Harvard University. This is a great opportunity to expose them to Utah businesses, and a number of luncheons have been set up for that purpose. The staff has pulled this all together in only three weeks time. The Board asked to have an itinerary e-mailed to them of the four-day event.
- With the governor's announcement last week, his involvement with the Utah Trade Missions is up in the air. Our feeling is that these are important and since the budget is already set aside the plan is to continue with the trade mission initiative.
- National Business Development facilitated three site visits since the last board meeting, which indicates that things are starting to pick-up in terms of interest. We are also continuing with the planning for the CoreNet Corporate Real Estate Executive Conference in Atlanta in October.
- The Utah Film Commission held an industry luncheon this past week. The guest speaker was a woman from the Motion Picture Association whose expertise is over different state initiatives. It fit in nicely with the best practices initiative.
- The State is cosponsoring a party tonight at the Galivan Center for the Outdoor Retailers Show. Our hope is to get to know some of the industry executives and maybe do a little recruitment and business development as well.
- David Harmer reported that he & Jeff Gochmour spent a day in Logan visiting Utah State University and the Space Dynamics Lab. Mayor Thompson set up a number of meetings with high tech companies, which were very informative. The two main issues affecting economic development in the Logan area are communications and issues related to its airport. Mr. Harmer added that he has talked to Val Oveson about the communications issues.

DBED Board Retreat – September 2003

Chairman Simmons proposed a DBED Retreat for the September meeting. He suggested that the retreat be an all-day event with the possibility of a dinner the evening before and possibly an activity following the meeting. Suggestions for agenda items included reorganization and restructuring of the subcommittees in an effort to provide good oversight advice and counsel to the activities and programs in the division, goals for the coming year, role of the DBED Board, a review of each DBED program and a best practices discussion. It was also suggested that the meeting be held off site and be fairly casual.

The board members requested a detailed report of the history of the IAF and COE programs including where the companies are now and the long-term impact to the state.

Other Business

The Board recommended that DBED staff take advantage of the declining California economy and really target some of those companies for relocation to Utah. The Board also asked for a report at the next meeting on our California recruiting activities.

With there being no further business, Chairman Simmons stated that the meeting stood adjourned.